

Call to Order

The meeting was called to order by Mr. Stumpf at 7:03 p.m. in the Third Floor Conference Room A at Town Offices. The meeting was live cablecast.

In attendance were Chairman S. Jon Stumpf, Margaret (Peggy) Kruse, Joanne Marden, Linn Anderson, Bonnie Zahorik, Max Arai, Eugenie (Janie) Moffitt, John Barry and Greg Serrao. Absent was Donna Walsh, Finance Director and Christine Barraford, Recording Secretary.

Approval of Minutes

November 18, 2014 Meeting

Upon motion duly made by Ms. Kruse and seconded by Ms. Anderson, it was unanimously voted to approve the above minutes. Motion passed 9-0.

Capital Projects Evaluation Checklist

Mr. Stumpf opened the discussion on the attached CIP Evaluation Checklist, a tool to be used in order to gain pertinent information early in the budget process. Mr. Barry noted the increase in non exempt debt over last year's budget from \$3.2M to this year's budget of \$7.2M and questioned how determinations are made on which projects to fund first, i.e. if you had \$1M to spend, which project would take priority.

Discussion ensued with regard to the annual recurrent funding of major town projects and major school projects. Taken from a long-term approach over a five-year period, consistent maintenance of the infrastructure is critical, while concurrently balancing other urgent funding needs. Mr. Stumpf noted the importance of introducing the checklist early in the budget process in order to gain information and determine total costs of a project, both short and long-term. He also noted that he had already sent the checklist to the school with regard to TM-4, the high school library renovation project. Mr. Stumpf urged liaisons to gather all information needed and tweak questions on the checklist as they pertain to the department requests.

Tri-Board Meeting Followup

Article 5 – Pay As You Go

IT-3 Digital Records Pilot - \$35K

Mr. Serrao opened the discussion by stating that he was not in favor of the digital records project going forward without simultaneously establishing a policy on retention and destruction of records. Ms. Anderson, the IT liaison, will follow up with Mr. Puzzanghera, CIO, to obtain more information.

P&F-10 Office Space Feasibility Study/Shawsheen School - \$130K

Topics of discussion included: a) what is long-term strategy for storage needs, both hard copy and digital records; and b) the advisability of hiring a third party to evaluate the options for use of this building. Mr. Stumpf noted that an extensive space needs study had recently been completed on the town buildings and could offer valuable information in conjunction with this proposed study. He will forward the report to the committee.

Non-Exempt Debt**IT-6 Safety and Security Communications Enhancements - \$600K**

Topics of discussion for upgrade to VOIP phone system included: a) present security issues in public buildings indicates a need for communication between classrooms/offices in and among school/town/safety center buildings; b) upgrade could result in reduction in telecomm operating expenses; and c) there is a need for more specific information in order to adequately evaluate this project.

Also discussed was the need for Mr. Stumpf to meet with the Town Manager and direct the question as to how we can afford \$7M in non exempt debt when the debt model states \$4M. Going forward with that model would leave less money for town and school operating budgets.

It was agreed that members would email the IT liaison, Ms. Anderson, questions on IT 6 as well as IT-1 and IT-3. She will send IT questions to Mr. Puzzanghera and ask him to attend our next meeting on January 14th to address questions and concerns.

FY2016 Budget Discussions**Other Post Employment Benefits (OPEB)****Town Manager's July 2013 Recommendation**

Mr. Stumpf referenced the attached Town Manager's Recommendation and noted that it is in line with the OPEB Subcommittee Report. Discussion ensued with regard to both reports.

Mr. Arai opened the discussion by expressing concern about the town's increasing off balance sheet unfunded liability which he estimated to be between \$10-12M. The Committee revisited its support of the Town Manager's recommended \$1 million appropriation for pensions which would accelerate the date for full funding from the state-mandated 2040 to 2032, which the Retirement Board had also voted; and that with regard to OPEB, at a minimum, the Town Manager's recommended annual appropriation proposed last spring should be continued. It was also noted that the Subcommittee had recommended a Task Force be created. It is anticipated that specific recommendations will be made for reducing long-term liability by taking steps now to reduce the growth of our OPEB obligation.

Compensation

Mr. Stumpf noted that one significant area of focus in managing OPEB is controlling the amount of funding available for compensation, including benefits. Discussion ensued on the importance of educating not only the employee on understanding the value of a total compensation package (each employee to receive his/her compensation report), but also the public in terms of fully understanding the total costs of town employment. It was agreed an ongoing task force would be helpful in suggesting/implementing changes. Mr. Stumpf stated that these attempts to slow growth in obligation would happen over time and he hoped in a ten-year period results would be realized.

Future Meetings

January – Wednesday, 14th and 28th.

February – Wednesday, 11th and 25th.

March – Wednesday, 4th, 18th and 25th.

Mr. Stumpf also reviewed the attached calendar of joint meetings, including Saturdays.

Liaison Updates

CD&P - Ms. Kruse reported that the CD&P is seeking full-time health inspector and increase of .2FTE for front desk person.

Taxes – Ms. Marden reported that the Board of Selectmen set the property tax rate at a 3.7% increase resulting in an average bill of \$8,654. She anticipates significant resident reaction when tax bills go out.

School Dept – Ms. Moffitt reported enrollment numbers as follows:

Total Enrollment	6,077(down 39 from last year)
High School	1,760; 415 senior; 432 junior; 477 sophomore; 436 freshman
Middle School	8 th grade largest group, some percentage of which transfers to private next year
	7 th grade – 519
First Grade	387
Average class size	21-23 K-12

Studies over a decade show relatively flat enrollment, and in some cases enrollment numbers down.

Mr. Serrao reported SPED is seeing an increasing number of students with higher intensity needs which puts pressure on the budget. He requested permission to ask the School Committee for a cost-benefit analysis of in-house vs. outsourced SPED costs. There was no objection to the request. Mr. Serrao discussed the School mid-year coordinated program review of our SPED program compliance. He noted that it was an intense state compliance process, with 60 audit areas and 27 civil rights areas; each category evaluated for compliance at one of four levels.

IT – Ms. Anderson noted that the IT Advisory Committee has an outstanding roster of members. She asked that all questions be sent to her so that issues may be clarified at the January 14th meeting of the Finance Committee.

Library – Ms. Zahorik will update Committee at next meeting.

Fire – Mr. Barry reported that the Ballardvale Subcommittee is meeting Thursday morning @ 7:30AM and will update Committee at next meeting.

Adjournment

Upon motion duly made by Mr. Arai and seconded by Ms. Moffitt, it was unanimously voted to adjourn. The motion passed 9-0.

The meeting was adjourned at 9:30 p.m.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary

Minutes of November 18th Meeting
Capital Projects Evaluation Checklist
Town Manager's July 2013 Recommendation
Calendar of Meetings